

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A280.3449
C39
cop. 2

DC BRANCH

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 19

SEPTEMBER 1974

Number 2

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - SEPTEMBER 1974

The Chattanooga Order MINIMUM uniform producer price is \$8.20 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test. This is a price decrease of \$0.08 below September 1973 and a decrease of 1 cent below August 1974.

In September 1974, 85.6% of producer milk received by pool plants was priced in Class I at \$8.44 per cwt., 8.4% was priced in Class II at \$6.79 per cwt. and 6.0% was priced in Class III at \$6.69 per cwt. for milk testing 3.5% butterfat. The September butterfat differential for all milk testing above or below 3.5% is 7.8 cents.

Total producer milk received at pool plants during September 1974 was 25,564,880 pounds which is an increase of 3,156,111 pounds or a daily average increase of 14.1% compared with September 1973. The September daily average deliveries from 561 producers was 1,519 pounds. This compares to 567 farms delivering a daily average of 1,317 pounds per day during September 1973.

MILK PRODUCTION

MILK PRODUCTION UP 3 PERCENT

United States milk production during September is estimated at 9,126 million pounds, 3 percent above a year earlier but 3 percent below September 1972. Daily average output was 2 percent less than August, compared with a 3 percent drop between August and September last year. September production provided 1.43 pounds of milk per person daily for all uses, compared to 1.46 in August and 1.41 in September 1973. Milk production during the first 9 months of 1974 was 88,092 pounds, 1.1 percent below the same period last year and 4.4 percent below January - September 1972.

PRODUCTION PER COW UP 4 PERCENT

Milk production per cow was 820 pounds during September, up 4 percent from September 1973 and 1 percent above the 809 pounds recorded 2 years earlier.

There were 11,132,000 milk cows on farms during September, down 2 percent from a year ago.

MILK-FEED PRICE RATIO

The milk-feed price ratio for September was 1.17, down 23 percent from last year, but 5 percent above last month. September milk prices were up in all regions from August, while ration values were down in all areas except the West. Nationally, ration values were up 30 percent from September 1973 and milk prices were up less than 1 percent.

Source: Milk Production - USDA, Statistical Reporting Service, October 11, 1974

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	% Sept. '74 Over Sept. '73	Sept. 1974	Aug. 1974	Sept. 1/ 1973
Number of Plants - Pool		3	3	3
- Non-Pool		14	14	13
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 14.1	852,163	827,969	746,959
- Other Source	- 27.0	70,109	48,444	96,085
- Other Federal Orders	+ 165.8	4,855	45,317	1,827
Non-Pool Plants - Cl. I Sales in Area	- 41.9	63,854	61,622	109,847
TOTAL MILK RECEIPTS	+ 3.8	990,981	983,352	954,718
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	+ .1	408,692	414,075	408,237
2% Milk	+ 35.1	218,315	229,701	161,585
Skim	- 1.6	20,930	21,786	21,265
Buttermilk	+ 4.0	55,914	60,288	53,780
Flavored Milk and Drink	+ 37.5	36,759	27,463	26,727
Sub-Total of Pkg. Items (Pool Plants)	+ 10.3	740,610	753,313	671,594
Other		898	4,003	
Sales to Non-Pool Plants		-0-	32	-0-
In Area Sales by Non-Pool Plants	- 41.9	63,854	61,622	109,847
TOTAL CLASS I USAGE		805,362	818,970	
<u>Class II Uses - Pool Plants only</u>				
Sweet Creams - Routes	- 1.6	2,098	2,599	2,133
Sour Cream and Dip - Routes	+ 17.1	1,449	1,570	1,237
Yogurt - Routes	- 3.8	384	431	399
Ice Cream	+ 16.3	73,387	83,048	63,115
Other		48,758	46,791	
Sales to Non-Pool Plants		4,168	3,155	
TOTAL CLASS II USAGE		130,244	137,594	
<u>Class III Uses - Pool Plants only</u>				
Animal Feed and Dumped		6,652	5,796	4,905
Class III Shrinkage		14,046	13,918	
Inventory Variation		22,398	(5,783)	
Other		52	50	
Bulk Sales to Non-Pool Plants		12,227	12,807	
TOTAL CLASS III USAGE		55,375	26,788	

IN AREA PACKAGED ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homo Milk	- 13.3	322,854	327,678	372,467
2% Milk	+ 24.2	150,937	158,308	121,522
Skim and 1% Milk	- 5.4	15,533	16,392	16,420
Buttermilk	- 8.1	43,311	46,886	47,145
Flavored Milk and Drink	+ 23.0	30,214	21,218	24,558
Total Class I Disposition In-Area	- 3.3	562,849	570,482	582,112

CLASS I PKGD. ROUTE DISPOSITION

In-Area by Pool Plants	+ 5.7	498,995	508,860	472,265
In-Area by Non-Pool Plants	- 41.9	63,854	61,622	109,847

1/ The Order was amended effective August 1, 1974 to provide for a three use classification. Therefore, comparison with previous months are not made for all items of use.

COMPUTATION OF PRODUCER UNIFORM PRICE

Page 3

SEPTEMBER 1974	Class Percent	Butterfat Pounds	Product Pounds	Cwt.Price @ 3.5%	Total Value
Class I Producer Milk	85.6	578,345	21,879,887	\$8.44	\$1,846,662.46
Class II Producer Milk	8.4	195,849	2,146,504	6.79	145,747.62
Class III Producer Milk	6.0	157,441	1,538,489	6.69	102,924.92
TOTAL PRODUCER MILK	100.0	931,635	25,564,880		\$2,095,335.00
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					\$ 13,182.25
Total Utilization Value @ 3.5% Test			25,564,880	\$8.247710	2,108,517.25
Less Producer-Settlement Fund Reserve			25,564,880	.047710	12,197.00
PRODUCER UNIFORM PRICE @ 3.5% TEST			25,564,880	\$8.20	\$2,096,320.25

SEPTEMBER 1974 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$7.81	3.6	\$8.278	4.2	\$8.746	4.8	\$9.214	5.4	\$9.682
3.05	7.849	3.65	8.317	4.25	8.785	4.85	9.253	5.45	9.721
3.1	7.888	3.7	8.356	4.3	8.824	4.9	9.292	5.5	9.76
3.15	7.927	3.75	8.395	4.35	8.863	4.95	9.331	5.55	9.799
3.2	7.966	3.8	8.434	4.4	8.902	5.0	9.37	5.6	9.838
3.25	8.005	3.85	8.473	4.45	8.941	5.05	9.409	5.65	9.877
3.3	8.044	3.9	8.512	4.5	8.98	5.1	9.448	5.7	9.916
3.35	8.083	3.95	8.551	4.55	9.019	5.15	9.487	5.75	9.955
3.4	8.122	4.0	8.59	4.6	9.058	5.2	9.526	5.8	9.994
3.45	8.161	4.05	8.629	4.65	9.097	5.25	9.565	5.85	10.033
3.5	8.20	4.1	8.668	4.7	9.136	5.3	9.604	5.9	10.072
3.55	8.239	4.15	8.707	4.75	9.175	5.35	9.643	5.95	10.111

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1974, to establish a new milk base to be used in making payment to such producer during the months of March through July 1975. The 1975 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1974 through January 31, 1975 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1974 through February 1975. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/ 4/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
Sept. '73	\$8.28	-	-	9.6¢	\$8.37	\$6.91	
Oct.	8.33	-	-	10.0	8.53	7.49	
Nov.	8.86	-	-	9.2	9.06	7.64	
Dec.	9.20	-	-	8.6	9.64	7.94	
Jan. '74	9.33	-	-	8.2	9.79	8.10	
Feb.	9.40	-	-	7.8	10.09	8.14	
Mar.	9.51 2/	\$9.85	\$8.15	7.8	10.25	8.15	
Apr.	9.33 2/	9.81	7.73	8.0	10.29	7.73	
May	9.17 2/	9.89	6.93	7.6	10.30	6.93	
June	8.50 2/	9.17	6.31	7.2	9.88	6.31	
July	8.20 2/	8.66	6.29	7.2	9.08	6.29	
Aug.	8.21	-	-	7.7	8.46	6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	-	-	-	-	8.54	-	-
Nov.	-	-	-	-	8.84	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE 4/					
	Chi. 92°	Chi. Area	Minn/Wisc.	(Daily Average)			Percentage Use		
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk Cwt. -3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Cl. I	Cl. II	Cl. III
Sept. '73	85.94	50.07	\$6.91	675,195	71,764		90.4	9.6	
Oct.	79.34	50.82	7.49	672,259	66,947		90.9	9.1	
Nov.	75.00	51.04	7.64	690,996	65,376		91.4	8.6	
Dec.	71.98	52.03	7.94	735,380	233,683		75.9	24.1	
Jan. '74	68.49	55.13	8.10	737,793	249,088		74.8	25.2	
Feb.	64.07	57.75	8.14	691,834	361,676		65.7	34.3	
Mar.	68.06	61.52	8.15	723,583	404,160		64.2	35.8	
Apr.	68.23	68.73	7.73	744,227	434,702		63.1	36.9	
May	60.51	66.22	6.93	804,711	378,718		68.0	32.0	
June	60.57	58.45	6.31	697,373	443,971		61.1	38.9	
July	60.83	56.52	6.29	715,569	324,116		68.8	31.2	
Aug.	67.08	57.05	6.39	719,339	89,630	19,000	86.9	10.8	2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4	6.0

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use 4/	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Sept. '73	16	954,718	786,950	3	567	746,959	-	3.63	1,317
Oct.	16	926,692	776,654	3	561	739,206	-	3.74	1,318
Nov.	16	916,985	793,538	3	553	756,372	-	3.87	1,368
Dec.	17	1,157,582	829,686	4	624	969,063	-	3.91	1,553
Jan. '74	17	1,170,171	837,331	4	626	986,881	-	3.94	1,576
Feb.	17	1,233,886	790,532	4	738	1,053,510	-	3.87	1,428
Mar.	17	1,275,930	783,913	4	701	1,127,743	909,675	3.74	1,609
Apr.	18	1,406,083	806,245	4	750	1,178,929	913,117	3.73	1,572
May	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580
June	18	1,302,939	753,227	4	722	1,141,344	877,774	3.61	1,581
July	18	1,178,805	765,797	4	731	1,039,685	841,605	3.59	1,422
Aug.	17	983,351	818,969	3	579	827,696	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

4/ Order amended August 1, 1974 to provide for three classes of utilization; therefore not comparable in all categories to previous months.